
4A

Information/Action

Fiscal Policy and Planning Committee of the Whole

Update on the Proposed 2006-07 Governor's Budget

Executive Summary: This agenda item is intended to inform the Members of the Commission on the salient points of the Commission's portion of the proposed 2006-07 Governor's Budget.

Recommended Action: None

Presenter: Crista Hill, Division Director, Fiscal and Business Services Section

Strategic Plan Goal:

Continue to refine the coordination between Commissioners and staff in carrying out the Commission's duties, roles and responsibilities.

- - ◆ Conduct periodic review of the efficiency of the day-to-day operations and financial accountability of the Commission

Update on the Proposed 2006-07 Governor's Budget

Introduction

On January 10, 2006, Governor Arnold Schwarzenegger submitted to the Legislature his proposed budget for Fiscal Year (FY) 2006-07. This agenda item is intended to inform the members of the Commission of any new updates as it relates to the development of the FY 2006-07 Governor's Proposed Budget, as well as any new updates to the current 2005-06 FY budget.

Background

The State Constitution requires that the Governor submit a budget to the Legislature by January 10 of each year. During the spring, legislative hearings occur with both the Assembly and Senate budget subcommittees in order to discuss the various proposals and make recommendations, as appropriate. Ultimately, the final outcome will be the enacted budget for the upcoming Fiscal Year as of June 30th.

As discussed at the January-February 2006 Commission Meeting, the FY 2006-07 Governor's Budget proposes \$51.2 million in funding among three funding sources. This is reflective of minor adjustments to expenditures from years past. In addition, it did not include any agency-wide staffing reductions nor did it propose additional reductions to operations of the Commission. The budget proposes backfilling the Teacher Credentials Fund with a loan from the Test Development Administration Account, and proposes to redirect vacant positions from the Professional Services Division to the Certification Assignment and Waivers Division to increase the efforts in this Division to address the current backlog. It is our understanding from both the Secretary's Office and what was included in the current budget, that the budget reflects the Administration's commitment to the work of this department.

Commission's Budget Structure

The Commission is comprised of four program units, the Certification Assignment, and Waivers Division, Professional Services Division, Division of Professional Practices and Administration. In FY 2006-07, it is proposed that the Commission will be authorized 163.5 positions and an estimated \$51.2 million in funding. This funding is comprised from three funding sources the Teacher Credentials Fund, Test Development Administration Account and the General Fund, Proposition 98. It is important to note that the General Fund, Proposition 98 portion of the funding is granted to local districts and local education agencies for the Local Assistance Programs Administered by the Commission, and they are Credential Monitoring which is overseen by the Certification Assignments and Waivers Division, and the Alternative Certification and Paraprofessional programs which are overseen by the Professional Services Division. The Teacher Credentials Fund supports the daily operations of the department as related to processing of credentials and the Test Development Administration Account supports the daily operations of the department related to examinations.

Per the Education Code, the Commission is responsible for monitoring the Teacher Credentials Fund and the Test Development Administration Account. The Teacher Credentials Fund was

cctc 3/14/06 3:49 PM

Deleted: The Administration's budget proposal for Commission for FY 2006-07

cctc 3/14/06 3:51 PM

Deleted: in

cctc 3/14/06 3:51 PM

Deleted: cluded:

cctc 3/14/06 3:50 PM

Formatted: Font:Bold

cctc 3/14/06 3:50 PM

Formatted: Font:Bold

cctc 3/14/06 3:50 PM

Formatted: Font:Bold

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:45 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:46 PM

Formatted: Font:Times New Roman

cctc 3/14/06 3:46 PM

Formatted: Font:Times New Roman

established to collect fees associated with the credential process, whereas the Test Development Administration Account was established to collect fees associated with the various examinations administered by the Commission. Both funds are supposed to support the operations of the Commission which include Staff Salaries, Benefits and Operating Expenses and Equipment or daily operations.

cctc 3/14/06 3:46 PM

Formatted: Font:Times New Roman

Update

cctc 3/14/06 3:12 PM

Deleted: (briefly include summary) .

During the month of February, Commission staff met with each of the Education Budget Subcommittee staff consultants to discuss the Commission's budget (the list of committee members are on page 3 of this agenda item for your reference). Overall the dialog was very positive and the Subcommittee staff appreciated the information provided as well as staff taking time to meet with them. Commission staff will now focus its efforts on the members themselves prior to the scheduled hearings.

At this time, Commission staff is preparing for the upcoming Budget Subcommittee hearings and answering any questions members or their staff may have regarding the Commission's budget.

Provided on the next page is summary of the Spring Budget Calendar for your reference. This outlines the various budget development activities taking place and for which you can expect an update on at the next several Commission meetings, as we continue to move forward in the budget development process for the next fiscal year. It is important to note that not all these steps are applicable to the Commission's budget, however, are provided for your reference.

General Budget Calendar for the Spring Process

January 10	Governor (and Department of Finance (DOF) submits Governor's Budget and Budget Bill to the Legislature by this date.
February 1	DOF provides to the Legislature all proposed statutory changes (Budget Trailer Bills), as prepared by the Legislative Counsel, that are necessary to implement the Governor's Budget.
February, early	Departments submit non-May Revision Finance Letter requests to the Department of Finance (DOF).
February, mid	DOF releases Salaries and Wages Supplement (Sch. 7A).
February, third week	Legislative Analyst Office (LAO) releases the Analysis of the Budget Bill and Perspectives and Issues.
February, late, to mid-March	DOF and departments prepare responses (rebuttals) to LAO's Analysis.
February, late, to mid-March	DOF budget staff discuss Finance Letter requests and meet with departments.
February to late-May	Legislative budget subcommittee staff hold budget pre-hearings with LAO, DOF and departments.
February to late-May	Legislative Budget Subcommittees hold budget hearings.
April 1	DOF submits non-May Revision and non-Capital Outlay Finance Letters to the Legislature.
April	DOF budget staff analyze May Revision requests and meet with departments.
May 1	DOF submits Capital Outlay Finance Letters to the Legislature.
May 14	DOF issues May Revision update of General Fund revenues and expenditures, including Finance Letters, and Deficiency Bill update to the Legislature.
May, late, to 1st week of June	Budget Subcommittees report to Full Budget Committees; Budget Bills sent to the Floors
June, early to mid	Budget Conference Committee meets; Budget Bills sent to Floors.
June 15	Constitutional deadline for Legislature to pass Budget Bill.
June, mid to late (assuming the Budget is passed on time)	Governor decides Budget Bill vetoes.
June, late (assuming the Budget is enacted on time)	Budget Act and Budget Trailer Bills are printed.

July 1

State's fiscal year begins.

Tentative Spring Hearing Schedule

At the time the agenda was prepared, both the Senate and the Assembly have tentatively set dates to hear the Commission’s budget during the budget subcommittee process.

Assembly:

In the Assembly, the Education Finance Subcommittee No. 2 will discuss the Commission’s budget on April 26, 2006 in State Capitol Room 126 at 4:00 p.m. The topics currently on the agenda for the Assembly hearing include:

- Fund Condition
- Credential Application Processing: Update on Efficiencies
- Follow-up on Budget Bill Language from Last Year

The Members that are appointed to this subcommittee are identified below for your reference:

Honorable Mervyn M. Dymally (D), Chair

Honorable Wilma Chan (D)

Honorable Joe Coto (D)

Honorable Lynn Daucher (R)

Honorable Jackie Goldberg (D)

Honorable Bob Huff (R)

Honorable John Laird, (D), Alternate

Honorable Rick Keene (R), Alternate

cctc 3/14/06 3:09 PM

Deleted: Ms.

cctc 3/14/06 3:10 PM

Deleted: Mr.

cctc 3/14/06 3:10 PM

Deleted: Ms.

cctc 3/14/06 3:10 PM

Deleted: Ms.

cctc 3/14/06 3:10 PM

Deleted: Mr.

cctc 3/14/06 3:10 PM

Deleted: Mr.

cctc 3/14/06 3:10 PM

Deleted: Mr.

Senate:

In the Senate, the Budget and Fiscal Review Subcommittee No. 1 on Education will discuss the Commission’s budget on May 8, 2006 in State Capitol Room 113, upon the adjournment of the Senate Floor Session.

The Members that are appointed to this subcommittee are identified below for your reference:

Honorable Jack Scott (D), Chair

Honorable Bob Margett (R)

Honorable Joe Simitian (D)

(Please note: If stakeholders plan on attending these hearings, it is best to verify the date and times in the Daily File to ensure that you have most current information.)

Staff is available to answer any questions Members of the Commission may have.

cctc 3/14/06 4:49 PM

Deleted: 